#### BILLING CODE 6717-01-P

### DEPARTMENT OF ENERGY FEDERAL ENERGY REGULATORY COMMISSION

Freeport LNG Development, L.P. Freeport LNG Expansion, L.P. FLNG Liquefaction LLC

Docket No. PF11-2-000

SUPPLEMENTAL NOTICE OF INTENT TO PREPARE AN ENVIRONMENTAL IMPACT STATEMENT FOR THE PLANNED LIQUEFACTION PROJECT, REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES, AND NOTICE OF PUBLIC SCOPING MEETING

As previously noticed on August 11, 2011, and supplemented herein, the staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental impact statement (EIS) that will discuss the environmental impacts of the Liquefaction Project (Project) involving construction and operation of facilities proposed by Freeport LNG Development, L.P., Freeport LNG Expansion, L.P, and FLNG Liquefaction LLC (collectively referred to as Freeport) in Brazoria County, Texas. This EIS will be used by the Commission in its decision-making process to determine whether the project is in the public interest.

Changes to the proposed facilities and the scope of our review have occurred since issuance of the Commission's initial notice of intent (NOI) for the Project. Staff has determined that review of the Project will require an EIS. This Supplemental NOI addresses these changes summarized in the Summary of Planned Project section of this notice and announces the opening of a scoping period the Commission will use to gather input from the public and interested agencies on the Project. Your input will help the Commission staff determine what issues need to be evaluated in the EIS. Please note that the **scoping period will close on August 20, 2012.** 

Comments may be submitted in written form or verbally. Further details on how to submit written comments are provided in the Public Participation section of this notice. In lieu of or in addition to sending written comments, the Commission invites you to attend the public scoping meeting scheduled as listed on page 2.

FERC Public Scoping Meeting Freeport Liquefaction Project 7:00 PM – August 9, 2012

Lake Jackson Civic Center 333 Highway 332 E Lake Jackson, TX 77566 (979) 415-2600

This notice is being sent to the Commission's current environmental mailing list for the Project. State and local government representatives are asked to notify their constituents of this planned Project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the planned facilities. The company would seek to negotiate a mutually acceptable agreement. However, if the Commission approves the project, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings where compensation would be determined in accordance with state law.

A fact sheet prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?" is available for viewing on the FERC website (www.ferc.gov). This fact sheet addresses a number of typically-asked questions, including the use of eminent domain and how to participate in the Commission's proceedings.

#### **Summary of the Planned Project**

Freeport plans to add natural gas liquefaction and exportation capabilities to its existing liquefied natural gas (LNG) import terminal on Quintana Island in Brazoria County, Texas. Since the original notice was issued, the proposed facilities have been modified to include a natural gas Pretreatment Facility as a jurisdictional facility based on public input, the location of the Pretreatment Facility has been changed. The Project would consist of the construction and installation of facilities to be used for liquefaction and export of domestic natural gas.

The planned facilities would consist of the following components:

- three natural gas liquefaction refrigerant units at the Quintana Island Terminal;
- expansion of existing Quintana Island Terminal Facilities, including a construction dock and fire water intake structure;

- natural gas Pretreatment Facility, about 2.5 miles north of the Quintana Island Terminal. It parallels and is located west of County Road (CR) 690, about 0.7 mile north of the intersection of CR 690 and State Highway 332; and
- Several pipelines (boil-off gas, natural gas, natural gas liquids, nitrogen) and utility lines (electric, fiber optic, water) that collectively form a route system between the Terminal, the Pretreatment Plant, Freeport LNG's Stratton Ridge meter station, Freeport LNG's Stratton Ridge underground gas storage facility, and interconnects with other industrial entities.

In addition, a second ship berthing area, third LNG storage tank, and additional LNG vaporization and natural gas send-out facilities that were previously authorized under FERC Docket CP05-361-000 but never constructed would be repurposed to meet the needs of the Project.

Freeport indicates that the Project would produce about 13.2 million metric tons per year of LNG. This would allow Freeport to convert domestically produced natural gas to LNG for storage and export. Freeport LNG expects to be ready to commence LNG exports in late 2015.

The general location of the project facilities is shown in Figure 1 in Appendix 1.<sup>1</sup> Alternative sites for Freeport's proposed site for the Pretreatment Facility (Site F) that will be considered in our review are identified in Figure 2 of Appendix 1.

## **Land Requirements for Construction**

The Table below details the land requirements of the proposed Project. Construction of all of the planned facilities would disturb about 610.7 acres of land at or adjacent to the existing Quintana Island Terminal, pretreatment facility and associated jurisdictional and nonjurisdictional pipelines, utilities and access roads.

Following construction, about 215.1 acres would be maintained for permanent operation of the Project facilities; the remaining acreage may be restored and allowed to revert to former uses.

<sup>&</sup>lt;sup>1</sup> The appendices referenced in this notice are not being printed in the <u>Federal Register</u>. Copies of appendices were sent to all those receiving this notice in the mail and are available at <u>www.ferc.gov</u> using the link called "eLibrary" or from the Commission's Public Reference Room, 888 First Street NE, Washington, DC 20426, or call (202) 502-8371. For instructions on connecting to eLibrary, refer to the last page of this notice.

Freeport LNG Liquefaction Project Summary of Land Requirements for Proposed Liquefaction Project			
Facilities	Permanent Facility Footprint (Acres)	Temporary Workspace (Acres)	Total
FERC JURISDICTIONAL FACILITIES	1		
Liquefaction Plant and Associated Facilities	109.2	79.9	189.1
Pretreatment Facility and Associated Facilities	104.2	112.9	217.1
Pretreatment Facility - Off-site Access Road Segments	1.6	1.3	2.9
Pipeline/Utility Line System (FERC Jurisdictional Facilities and Non-Jurisdictional Pipelines/Utility Lines) - South of Pretreatment Facility	0.0	44.6	44.6
Off-site Storage & Laydown Area for Liquefaction Plant	0.0	74.8	74.8
JURISDICTIONAL TOTAL:	215.0	313.5	528.5
FERC NONJURISDICTIONAL <sup>1</sup> FACILITIES		<u>.</u>	
Pipeline/Utility Line System (FERC Nonjurisdictional Facilities without Electric Line) - North of Pretreatment Facility	3.3	74.7	74.7
Electric Line at Pretreatment Facility	6.0	7.3	7.3
Appurtenant Facilities beyond Terminal Site and Pretreatment Facility site and not included in Pipeline/Utility Line System Footprint Totals	0.1	0.1	0.2
NONJURISDICTIONAL TOTAL:	0.1	82.1	82.2
LIQUEFACTION PROJECT TOTAL:	215.1	395.6	610.7

## **The EIS Process**

The National Environmental Policy Act (NEPA) requires the Commission to take into account the environmental impacts that could result from an action whenever it considers the issuance of an LNG authorization. NEPA also requires us<sup>2</sup> to discover and address concerns the public may have about proposals. This process is referred to as scoping. The main goal of the scoping process is to focus the analysis in the EIS on the important environmental issues. By this notice, the Commission requests public comments on the scope of the issues to be addressed in the EIS. All comments received will be considered during the preparation of the EIS.

In the EIS we will discuss impacts that could occur as a result of the construction

<sup>&</sup>lt;sup>2</sup> "We," "us," and "our" refer to the environmental staff of the Commission's Office of Energy Projects.

and operation of the planned Project under these general headings:

- geology and soils;
- water resources, and fisheries;
- vegetation and wildlife;
- cultural resources;
- socioeconomics;
- land use;
- air quality and noise;
- cumulative environmental impacts; and
- reliability and public safety.

We will also evaluate possible alternatives to the planned Project or portions of the Project, and make recommendations on how to lessen or avoid impacts on the various resource areas.

Although no formal application has been filed, we have already initiated our NEPA review under the Commission's pre-filing process. The purpose of the pre-filing process is to encourage early involvement of interested stakeholders and to identify and resolve issues before an application is filed with the FERC. As part of our pre-filing review, we have begun to contact some federal and state agencies to discuss their involvement in the scoping process and the preparation of the EIS.

The EIS will present our independent analysis of the issues. We will publish and distribute the draft EIS for public comment. After the comment period, we will consider all timely comments and revise the document, as necessary, before issuing a final EIS. To ensure we have the opportunity to consider and address your comments, please carefully follow the instructions in the Public Participation section beginning on page 6.

With this notice, we are asking agencies with jurisdiction and/or special expertise with respect to environmental issues to formally cooperate with us in the preparation of the EIS. These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. Agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the Public Participation section of this notice. Currently, the United Stated Department of Energy has expressed its intention to participate as a cooperating agency in the preparation of the EIS to satisfy its NEPA responsibilities related to this Project.

In accordance with the Advisory Council on Historic Preservation's implementing regulations for section 106 of the National Historic Preservation Act, we are using this notice to initiate consultation with the Texas State Historic Preservation Office, and to solicit their views and those of other government agencies, interested Indian tribes, and the public on the project's potential effects on historic properties. We will define the project-specific area of potential effects (APE) in consultation with the SHPO as the project is further developed. On natural gas facility projects, the APE at a minimum encompasses all areas subject to ground disturbance. Our EIS for this Project will document our findings on the impacts on historic properties and summarize the status of consultations under section 106.

#### **Currently Identified Environmental Issues**

We have already identified several issues that we think deserve attention based on a preliminary review of the planned facilities and the environmental information provided by Freeport. This preliminary list of issues may be changed based on your comments and our analysis.

- Air quality;
- Noise and vibration impacts;
- Socioeconomic impacts;
- Geologic hazards;
- Wetlands and waterbodies;
- Threatened and endangered species; and
- Public safety.

# **Public Participation**

You can make a difference by providing us with your specific comments or concerns about the project. Your comments should focus on the potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. The more specific your comments, the more useful they will be. To ensure that your comments are timely and properly recorded, please send your comments so that they will be received in Washington, DC on or before **August 20, 2012**.

<sup>&</sup>lt;sup>3</sup> The Advisory Council on Historic Preservation's regulations are at Title 36, Code of Federal Regulations, Part 800. Historic properties are defined in those regulations as any prehistoric or historic district, site, building, structure, or object included in or eligible for inclusion in the National Register for Historic Places.

For your convenience, there are three methods you can use to submit your comments to the Commission. In all instances, please reference the Project docket number PF11-2-000 with your submission. The Commission encourages electronic filing of comments and has expert eFiling staff available to assist you at (202) 502-8258 or <a href="mailto:efiling@ferc.gov">efiling@ferc.gov</a>.

- (1) You may file your comments electronically by using the <u>eComment</u> feature, which is located on the Commission's website at <u>www.ferc.gov</u> under the link to <u>Documents and Filings</u>. An eComment is an easy method for interested persons to submit brief, text-only comments on a project;
- You may file your comments electronically by using the <u>eFiling</u> feature, which is located on the Commission's website at <u>www.ferc.gov</u> under the link to <u>Documents and Filings</u>. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "<u>eRegister</u>." You will be asked to select the type of filing you are making. A comment on a particular project is considered a "Comment on a Filing"; or
- (3) You may mail a paper copy of your comments to the Commission at the following address:

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street NE, Room 1A Washington, DC 20426

## **Environmental Mailing List**

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Indian tribes; other interested parties; and local libraries and newspapers. This list also includes all affected landowners (as defined in the Commission's regulations) who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within certain distances of aboveground facilities, and anyone who submits comments on the Project. We will update the environmental mailing list as the analysis proceeds to ensure that we send the information related to this environmental review to all individuals, organizations, and government entities interested in and/or potentially affected by the planned Project.

Copies of the completed draft EIS will be sent to the environmental mailing list for public review and comment. If you would prefer to receive a paper copy of the document instead of the CD version or would like to remove your name from the

mailing list, please return the attached Information Request (Appendix 2).

## **Becoming an Intervenor**

Once Freeport files its application with the Commission, you may want to become an "intervenor", which is an official party to the Commission's proceeding. Intervenors play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in the proceeding by filing a request to intervene. Instructions for becoming an intervenor are included in the User's Guide under the "e-filing" link on the Commission's website. Please note that the Commission will not accept requests for intervenor status at this time. You must wait until a formal application for the Project is filed with the Commission.

### **Additional Information**

Additional information about the project is available from the Commission's Office of External Affairs, at (866) 208-FERC, or on the FERC website (www.ferc.gov) using the eLibrary link. Click on the eLibrary link, click on "General Search" and enter the docket number, excluding the last three digits in the Docket Number field (i.e., PF11-2). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659. The eLibrary link also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to <a href="https://www.ferc.gov/esubscribenow.htm">www.ferc.gov/esubscribenow.htm</a>.

Finally, public meetings or site visits will be posted on the Commission's calendar located at <a href="www.ferc.gov/EventCalendar/EventsList.aspx">www.ferc.gov/EventCalendar/EventsList.aspx</a> along with other related information.

Dated: July 19, 2012

Kimberly D. Bose, Secretary.

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